

Personnel

Payroll Regulations

Entrepreneurial
Leave**POLICY:**

- .01 The purpose of Entrepreneurial Leave is to allow employees to take an unpaid leave, for a limited period, to pursue entrepreneurial activities utilizing Laboratory technology or intellectual property, while maintaining their ties with the Laboratory and retaining access to certain Laboratory benefits. Subject to the provisions of this policy and management approval, full-time and part-time regular employees may take an unpaid entrepreneurial leave for a maximum of 3 years.

Eligibility

- .02 Full-time and part-time regular employees are eligible for an Entrepreneurial Leave when the leave activities fulfill the purpose of this policy as stated in .01 and when the requirements described in this subject are met. Employees must have completed the New Employee Evaluation Period and have demonstrated satisfactory job performance to be eligible.

Benefits

- .03 **First Year** — The Laboratory will continue to pay the employer premiums for an eligible employee's medical, dental, and vision insurance programs on the same basis as an employee in pay status. The employee must continue to pay any required employee premiums. An eligible employee may buy back retirement service credit for the leave period if the employee returns from leave during the first year. Employees on Entrepreneurial Leave are not eligible to continue disability insurance, but may participate in AD&D, life, dependent life, and legal insurance programs during the first two years by paying 100% of the applicable premiums.
- .04 **Second Year** — During the second year, an eligible employee may retain medical, dental, and vision insurance by paying 50 percent of the employer premium, plus any required employee premium. The Laboratory will pay 50 percent of the employer premium. The eligible employee may buy back retirement service credit for the leave period if the employee returns from leave during the second year.

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- .05 **Third Year** — During the third year an eligible employee may retain medical, dental, and vision insurance coverage by paying the employer premiums as well as any required employee premiums. The eligible employee must consult the Compensation and Benefits Group (HR-1 C&B) regarding the restrictions on buying back retirement service credit after the second year. The employee may not continue AD&D, life, dependent life, and legal insurance during the third year.

Return from Leave

- .06 **First Year** — If the eligible employee returns during the first year of the leave, he or she will be returned to a position equivalent to that which he or she held before the Entrepreneurial Leave.

NOTE: An employee on Entrepreneurial Leave may be terminated from Laboratory employment on the same basis as employees in pay status. If an eligible employee is separated because of a reduction-in-force while on Entrepreneurial Leave any time after the first year, he or she is not entitled to severance pay under [AM 114](#).

- .07 **Second Year** — An eligible employee who seeks to return from leave during the second year is not guaranteed employment, but will be granted a preference in consideration over external applicants, for vacant positions for which he or she is qualified.
- .08 **Third Year** — If an eligible employee seeks to return from leave during the third year, the employee's reemployment rights shall be limited to being considered an internal candidate for vacant positions.
- .09 **Termination At Third Year** — If an eligible employee chooses not to return to pay status or if no position is available for an employee who wishes to return by the end of the third year, the employee shall be terminated from Laboratory employment no later than the third anniversary of the start of the leave. The employee will be considered an internal applicant for up to 60 calendar days following such termination.

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NOTE: Except as noted below in .11, an employee who voluntarily terminates his or her employment at any time while on Entrepreneurial Leave forfeits the reemployment preferences and benefits stated above.

Leave Accruals

- .10 An employee on Entrepreneurial Leave does not accrue vacation or sick leave during the leave period. The Laboratory retains and maintains previously accrued paid leave. When the employee returns from Entrepreneurial Leave, vacation and sick leave accruals will resume according to [AM 312](#) and [AM 313](#).

NOTE: With the approval of the group-level manager, the employee may use his or her accrued vacation before the period of Entrepreneurial Leave begins.

Termination for Entrepreneurial Purposes

- .11 An eligible employee who terminates rather than taking Entrepreneurial Leave may be granted the reemployment rights described in .06-.09, provided he or she meets the application requirements described in .18-.23. Except for those benefits required by law, the employee relinquishes all Laboratory benefits (including contributions toward health, dental, and vision insurance) and may not buy back service credit for the termination period if the employee later returns to the Laboratory.

Conflict of Interest

- .12 Employees on Entrepreneurial Leave are subject to Laboratory conflict-of-interest policies. Entrepreneurial Leave application packages must be reviewed for potential conflict of interest and approved in accordance with applicable Laboratory policies and procedures. See [AM 716](#) and [AM 717](#). The objective of this review is to protect the legitimate interests of the Department of Energy and the University of California. Applicants for Entrepreneurial Leave will be required to disclose actual and prospective financial and other interests that are related to the activity to be undertaken while on Entrepreneurial Leave and that may result in an actual, apparent, or potential conflict of interest.

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Intellectual Property .13 The Business and Patent Law Office of Laboratory Counsel (LC/BPL) ensures that adequate measures are taken to protect the intellectual property and other interests of UC and DOE. LC/BPL will evaluate intellectual property issues related to each Entrepreneurial Leave/termination application in accordance with University, Laboratory, and DOE intellectual property policies.

APPROVAL AUTHORITIES: .14 The Technology Commercialization Office (CIT-TCO) Leader reviews application packages for Entrepreneurial Leave, determines whether an application for Entrepreneurial Leave meets the conditions set forth in this subject, and , if appropriate, approves the application package. The final approval authority for the first year of Entrepreneurial Leave is the applicant's division-level manager. Leave for the second and third years also requires the approval of the Director for Human Resources.

DEFINITIONS:

Laboratory Technology .15 A technology is considered a Laboratory technology if it is

- Technology that was created through Laboratory research and development;
- Technology that is subject to patent, copyright, or other intellectual property rights in which UC or DOE have an interest or obligation; or
- Unpublished, commercially valuable technical information relating to Laboratory technological and scientific developments.

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These procedures effective until further notice.

PROCEDURES:

Administration .16 CIT-TCO administers the Entrepreneurial Leave program and may provide counseling and guidance to employees pursuing entrepreneurial activities.

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Application Process

- .17 To request acceptance into the Entrepreneurial Leave program, an employee must submit an application package and a business plan to CIT-TCO, through his or her group-level manager.
- .18 ***Letter of Application*** — The application package must include
- The employee's name,
 - A brief description of the proposed business activity,
 - The origin and development of the Laboratory technology, including all Laboratory funding sources used to develop the technology,
 - A statement describing anticipated technology transfer agreements, if any, with the Laboratory, including but not limited to exclusive patent or copyright licenses (which require DOE approval),
 - The requested period of absence including a proposed beginning date,
 - The names of the employee's group- and division-level managers, and
 - The employee's group-level manager's approval of the application.
- If the employee does not have an approved [Outside Activity Permission Request \(Form 701\)](#) that describes the proposed entrepreneurial activity, a completed Form 701 signed by the group-level manager must also be included in the package.
- .19 ***Business Plan*** — In nontechnical terms, the business plan should contain
- A mission statement that includes the reason for the proposed business' existence, the product or service to be provided, the prospective customers of the business, and the benefit of the business to these customers;
 - Three or 4 critical factors essential to the survival of the proposed business including any existing or potential barriers to success;

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A simple market analysis that estimates the number of potential customers and the number needed to maintain a viable business, describes the traits of a potential customers, and states where these customers currently purchase the product or service of the proposed business;

A simple “break-even” analysis that itemizes start-up costs for the proposed business, the projected revenue growth, the timeline for that growth, and the amount of sales needed to cover the start-up costs;

A description of the management structure of the proposed business; and

A description of how the proposed business would benefit the Northern New Mexico region in the short- and long-term.

Approvals

- .20 ***CIT-TCO*** —CIT-TCO reviews and approves the application package before the application is submitted to the division-level manager for final approval.
- .21 ***Intellectual Property Review*** – LC/BPL will review the application package to ensure that intellectual property and other interests of UC and DOE are protected. LC/BPL will submit recommendations to CIT-TCO and the division-level manager.
- .22 ***Conflict of Interest Review*** — The Conflict of Interest Coordinator will review the application package before final approval by the division-level manager. The Conflict of Interest Coordinator will review the application package and submit recommendations to CIT-TCO and the division-level manager.
- .23 ***Division-Level Manager*** —The division-level manager indicates his or her approval of the Entrepreneurial Leave by signing the Personnel Action (PA) form placing the eligible employee on Entrepreneurial Leave.
- .24 ***Director for Human Resources*** – As with all leaves of absence, DHR approval is required for Entrepreneurial Leaves over 1 year.

Entrepreneurial Leave**Memorandum of Understanding**

- .25 The employee's group- and division-level managers, with the assistance of the Human Resources Generalist assigned to the division, must also prepare a memorandum of understanding (MOU) that states the conditions for the employee's return to the division if he or she returns during the first year of the leave and spells out a re-entry plan. The MOU is required whether the employee is taking leave or terminating in lieu of leave as outlined in .11. The employee and the group- and division-level managers must sign the memorandum of understanding. If the employee does not return by the end of the first year, a new memorandum of understanding outlining the conditions concerning benefits and return to pay status during the second year must be executed.

Benefits Consultation

- .26 An employee contemplating an Entrepreneurial Leave or a termination for entrepreneurial purposes must seek counseling from HR-1 C&B regarding his or her UC benefits before the leave begins or the termination occurs.